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LISTING STATEMENT No. 2195

LISTED MARCH 22, 1965
30,090 6% Cumulative Redeemable Convertible Preferred Shares Series A.
Ticker abbreviation "STH PR"
Dial ticker number 1381
Post section 11
625,000 Common Shares without nominal or par value, of which 60,180 are subject to issuance.
Ticker abbreviation "STH"
Dial ticker number 1301
Post section 7.6

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

STUART HOUSE INTERNATIONAL LIMITED

An operating Company incorporated under the laws of Canada by Letters Patent dated August 7, 1946.

6% Cumulative Redeemable Convertible Preferred Shares Series A of the par value of \$8.00 each and Common Shares without nominal or par value.

CAPITALIZATION AS AT FEBRUARY 26th, 1965

FUNDED DEBT		OUTSTANDING		
Loan payable, 6% due 1966		\$100,000		
First mortgage 5%, due 1967		\$10,418		
CAPITAL STOCK		AUTHORIZED	OUTSTANDING	TO BE LISTED
Preferred Shares, par value \$8.00 each, issuable in series		100,000	—	—
6% Cumulative Redeemable Convertible Preferred Shares Series A			30,090	30,090
Common Shares without nominal or par value		1,000,000	564,820	625,000*
*of which 60,180 are subject to issuance.				

March 1, 1965

1. APPLICATION

Stuart House International Limited (herein referred to as the "Company") makes application for a listing on The Toronto Stock Exchange of:

- (a) 30,090 6% Cumulative Redeemable Convertible Preferred Shares Series A of the par value of \$8.00 each, all of which are outstanding as fully paid; and
- (b) 564,820 common shares without nominal or par value in the capital stock of the Company, all of which are outstanding as fully paid; and
- (c) 60,180 common shares without nominal or par value, upon notice of issuance thereof, which have been reserved for the conversion of the presently outstanding 6% Cumulative Redeemable Convertible Preferred Shares Series A, on the basis of 2 common for each preferred share on or before May 1, 1974.

2. HISTORY AND NATURE OF BUSINESS

The Company was incorporated under the laws of Canada under the name "John Stuart Sales Limited" by Letters Patent dated August 7, 1946. By Supplementary Letters Patent dated October 27, 1960 the Company was converted from a private to a public company and its name was changed to Stuart House International Limited. The Company on incorporation acquired the business then carried on by Mr. John Stuart under the name "John Stuart Sales". This business acted as a sales agency for certain manufacturers for the distribution of their products.

The Company has expanded the business originally acquired and now acts as a wholesale distributor for a number of nationally known lines of confections, tobacco, dietetic foods and other food products and aluminum foil and other paper products. In most cases the Company acts as a principal for the exclusive distribution in Canada of the products handled by it but in some cases it acts as a sales agent only, on a commission basis. Among the products which the Company markets as a wholesale distributor, acting as principal, are the Diamel line of dietetic foods of Dietetic Food Company Inc. of Brooklyn, New York; silver and metal polishes manufactured by J. Goddard & Sons Limited of Leicester, England; Edgeworth, Holiday and Royal Tivoli tobaccos; Luden's cough drops; confectionery of Matlow Brothers Limited of Derbyshire, England; Tootsie Pops and Tootsie Rolls, Stanwell briar pipes and Dr. Grabow pre-smoked pipes. The Company acts as sales agents on a commission basis for Lewis-Howe Company of St. Louis, Missouri, for the sale throughout Canada of Tums and Nature's Remedy laxative; for W. T. Hawkins Limited for the sale throughout Canada (except certain direct accounts) of Cheezies, Big Boy Popping Corn and Ready Mix Magic Pop; for Patterson Chocolates Limited for the sale in Nova Scotia, Prince Edward Island, New Brunswick and Western Canada of its line of chocolate products; and for Ernest G. Robinson Limited for the sale in the Maritime Provinces and Western Canada of Jenny Lind candies and other candy products of that company. The Company has exclusive sales rights in its territory in those cases above mentioned in which it acts as a sales agent.

In addition to the products of other manufacturers which are handled by the Company, the Company has developed a line of its own products which are marketed under the Stuart House brand. A wholly owned subsidiary, Stuart House Products Limited, now packages or produces for the Company for marketing under the Stuart House brand, aluminum foil wrap, aluminum burner savers for electric and gas ranges, aluminum baking cups, aluminum pie plates, aluminum broiler trays, wax and shelf papers and polyethelene bags for household use. Stuart House products Limited also processes aluminum foil under contract for other companies.

The Company in 1960 entered the instant food field and through Stuart House Products Limited produces noodle soup mix which it markets under its brand name. In addition to this original product, the Company now produces and markets chicken rice soup mix, vegetable beef soup mix, beef and chicken gravy mixes and a number of powdered drinks mixes all of which are marketed under its brand name.

3. INCORPORATION AND CAPITAL CHANGES

The Company was incorporated under the laws of Canada by Letters Patent dated August 7, 1946 under the name John Stuart Sales Limited as a private company with an authorized capital of \$200,000.00 divided into 1,000 preference shares of the par value of \$100.00 each and 1,000 common shares of the par value of \$100.00 each.

By Supplementary Letters Patent dated July 4th, 1958 the capital stock of the Company was reduced by cancellation of the 1,000 issued preference shares of the par value of \$100.00 each. By Supplementary Letters Patent dated October 27, 1960 (i) the name of the Company was changed to Stuart House International Limited (ii) the Company was converted from a private company into a public company (iii) the authorized capital of the Company which then consisted of 1,000 issued and outstanding common shares of the par value of \$100.00 each was changed into 280,000 issued common shares without nominal or par value and (iv) the authorized capital of the Company was increased by the creation of 720,000 additional common shares without nominal or par value. By Supplementary Letters Patent dated April 7, 1964 (i) the authorized capital of the Company was increased by the creation of 100,000 Preferred Shares of the par value of \$8.00 each issuable in series and (ii) the first series of the said class of Preferred Shares of the Company, consisting of 31,250 shares designated "6% Cumulative Redeemable Convertible Preferred Shares Series A", was authorized.

4. OPINION OF COUNSEL

Messrs. McCarthy & McCarthy, 330 University Avenue, Toronto, Ontario, counsel to the Company, are filing in support of this application an opinion stating, among other things, that

- (a) the Company is a duly incorporated, organized and subsisting corporation in good standing under the laws of Canada;
- (b) 30,090 6% Cumulative Redeemable Convertible Preferred Shares Series A of the par value of \$8.00 each in the capital stock of the Company have been duly and validly allotted and issued and are outstanding as fully paid and non-assessable;
- (c) 564,820 common shares without nominal or par value in the capital stock of the Company have been duly and validly allotted and issued and are outstanding as fully paid and non-assessable.

5. SHARE ISSUE DURING THE PAST TEN YEARS

Subsequent to December 31, 1954 and prior to the issue of the aforesaid Supplementary Letters Patent dated April 7, 1964, the Company issued —

- (a) on December 16, 1960, 20,000 common shares for a consideration of \$3.00 per share to John Stuart and Mrs. John Stuart in exchange for 13,198 common shares of Stuart House Products Limited.
- (b) on June 23, 1961, 75,000 common shares were issued and allotted for a consideration of \$3.00 per share to employees of the Company.
- (c) on June 27, 1963, 125,000 common shares were issued and allotted for a consideration of \$305,041.00 in exchange for 12,727 Class "A" and 22,417 Class "B" shares of Tip-Top Canners, Limited.
- (d) on April 30, 1964, 25,000 6% Cumulative Redeemable Convertible Preferred Shares Series A of the par value of \$8.00 each were issued and allotted to Moss, Lawson & Co. Limited at the price of \$8.00 per share.
- (e) on April 30, 1964, 50,000 common shares were issued and allotted to Moss, Lawson & Co. Limited for a consideration of \$2.70 per share.

- (f) on April 30, 1964, 6,250 6% Cumulative Redeemable Convertible Preferred Shares Series A of the par value of \$8.00 each were allotted to Moss, Lawson & Co. Limited at the price of \$8.00 per share, and 12,500 common shares were allotted to Moss, Lawson & Co. Limited for a consideration of \$2.70 per share, all in accordance with the terms of an option to purchase such shares on or before November 6, 1964, such option having been exercised by Moss, Lawson & Co. Limited prior to November 6, 1964.

6.

ESCROW PROVISIONS

Pursuant to the terms of an escrow agreement made as of the 27th day of April, 1964 between Stuart (Nassau) Limited and the Canadian Imperial Bank of Commerce at its office in Nassau, Bahamas, Stuart (Nassau) Limited deposited share certificates representing 205,000 common shares owned by it with the Bank. The terms of the escrow agreement provide:

- (a) if in any fiscal year of the Company the consolidated net earnings of the Company and all of its subsidiaries after taxes for such fiscal year as determined by the auditors of the Company shall exceed an amount (hereinafter referred to as the "basic amount") equal to the total number of common shares, other than common shares held by said Bank under the terms of the said escrow agreement, outstanding on the last day of said fiscal year multiplied by 30¢, said Bank shall release from escrow a number of common shares equal to the number which is obtained by dividing by 30 the amount of the excess of said consolidated net earnings over the basic amount;
- (b) any or all of the common shares may be released from escrow from time to time with the written approval of the Ontario Securities Commission and any stock exchange on which the common shares in the capital of the Company may at the time be listed;
- (c) the common shares from time to time remaining in escrow may not be pledged, hypothecated or transferred unless such pledge, hypothecation or transfer is made subject to all the terms and conditions of the escrow agreement and the pledgee, transferee or person to whom the said common shares are hypothecated shall enter into an agreement with said Bank to be bound by all the terms and conditions of the escrow agreement;
- (d) said Bank shall, without any further act or formality whatsoever, release from the said escrow on May 6, 1969, all common shares which it shall then be holding in escrow.

It is intended that the escrow agreement will be amended by letter agreement between Canadian Imperial Bank of Commerce and Stuart (Nassau) Limited to indicate that notwithstanding any of the provisions contained in the said escrow agreement, none of the escrowed common shares will be released from escrow prior to May 6, 1969 without the prior written consent of The Toronto Stock Exchange.

7.

SUMMARY OF CERTAIN PROVISIONS ATTACHING TO THE 6% CUMULATIVE REDEEMABLE CONVERTIBLE PREFERRED SHARES SERIES A AND THE COMMON SHARES

Dividends

- (a) The holders of the 6% Cumulative Redeemable Convertible Preferred Shares Series A (hereinafter referred to as the "Preferred Shares Series A") shall be entitled to receive as and when declared by the board of directors, fixed cumulative preferential cash dividends at the rate of six per cent (6%) per annum and no more, payable quarterly on the first days of February, May, August and November in each year.

Rights on Liquidation

- (b) In the event of liquidation, dissolution or winding up of the Company or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Preferred Shares Series A shall be entitled to receive the amount paid up on such shares plus all accrued and unpaid preferential dividends and, if such liquidation, dissolution, winding up or distribution be voluntary, an additional amount equal to six per cent (6%) of the amount paid up thereon, before any amount shall be paid or any property or assets of the Company distributed to the holders of shares of any class ranking junior to the Preferred Shares Series A; thereafter the holders of Preferred Shares Series A shall not be entitled to share in any further distribution of the property or assets of the Company.

Right of Company to Purchase

- (c) Subject to the provisions of Section 61 of The Companies Act and to certain other provisions the Company may at any time or times purchase (if obtainable) for cancellation the whole or any part of the Preferred Shares Series A outstanding from time to time at a price not exceeding the amount paid up thereon plus a premium of six per cent (6%) of the amount thereon plus all accrued and unpaid preferential dividends thereon plus costs of purchase.

Redemption

- (d) Subject to the provisions of Section 61 of The Companies Act and to certain other provisions the Company may redeem, at any time from and after May 1, 1967, the whole or from time to time any part of the then outstanding Preferred Shares Series A on thirty (30) days' notice on payment for each share to be redeemed of the amount paid up on such share plus all accrued and unpaid preferential dividends.

Conversion Rights

- (e) Each Preferred Share Series A is convertible at the option of the holder thereof, at any time up to the close of business on May 1, 1974 or, in the case of any share called for redemption, up to the close of business on the fifth business day prior to the date fixed for redemption, whichever may be earlier, into two fully paid common shares as presently constituted. The provisions attaching to the Preferred Shares Series A provide for the adjustment of the conversion privilege in certain events, including a subdivision or consolidation of common shares and the payment of a stock dividend on common shares.

Retirement Fund

- (f) So long as any of the Preferred Shares Series A are outstanding, the Company shall on or before the first day of March in each year commencing 1967 set aside in a special account on the books of the Company as a retirement fund for the Preferred Shares Series A an amount equal to five per cent (5%) of the consolidated net earnings and its subsidiaries for the last preceding fiscal year of the Company after deducting from such consolidated net earnings the amount of dividends paid on the Preferred Shares Series A for such fiscal year and the amount of accumulated and unpaid dividends thereon to the extent that deduction has not been previously made. If the Company would be required in any year to set aside for the retirement fund aforesaid an amount which, when added to the amounts already set aside for such purpose and not used would aggregate an amount in excess of \$25,000, then the Company will only be required in such year to set aside for such purpose an amount which when added to the amounts already set aside and not used will equal \$25,000. Amounts set aside in a special account as a retirement fund need not be kept separate from other Company moneys and may be employed in the business of the Company.

The amount from time to time to the credit of the said special account shall be applied as soon as practicable to the purchase of Preferred Shares Series A (if obtainable) in the market at the lowest price at which in the opinion of the board of directors such shares are obtainable but not exceeding the par value of such shares plus all accrued and unpaid dividends and plus costs of purchase.

If, on December 31, 1967, or on December 31 in any year thereafter so long as any of the Preferred Shares Series A shall be outstanding, the amount set aside for the retirement fund and not used for the purchase of Preferred Shares Series A as above provided shall exceed \$1,000.00, the Company shall during any two consecutive weeks out of the thirty days immediately following said December 31 maintain a bid with an investment dealer or firm having membership on a recognized stock exchange to purchase at the par value such number of Preferred Shares Series A as shall be necessary to exhaust as nearly as may be, the amount set aside for the retirement fund and not used. Any Preferred Shares Series A so purchased shall be deemed to be redeemed and shall be cancelled.

Issue of Additional Preferred Shares

- (g) The authorized but unissued First Preference Shares are issuable in one or more series, with such provisions as the directors of the Company may by resolution determine and as may be set forth in Supplementary Letters Patent. The preferred shares of each series shall rank on a parity with the preferred shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Company.

The Company shall not issue any preferred shares in addition to the 31,250 Preferred Shares Series A without the prior approval of the holders of the Preferred Shares Series A given in a specified manner unless all dividends up to and including the dividend payable for the last completed quarter on each series of the Preferred Shares then issued and outstanding shall have been declared and paid or provided for at the date of such issue and unless consolidated net earnings (as defined) of the Company and its subsidiaries for any 12 consecutive months out of the period of 18 months next preceding the date of issuance of any such Preferred Shares have been at least equal to three times the annual dividend requirements on all the Preferred Shares to be outstanding one week after such issue.

Restrictions on Payment of Dividends, Redemptions, etc.

- (h) The Company shall not declare, pay or set apart any dividend on the common shares or any shares ranking junior to the Preferred Shares nor shall the Company call for redemption and/or purchase less than all the Preferred Shares then outstanding or any shares of the Company ranking junior to the Preferred Shares unless all dividends up to and including the dividend payable for the last completed quarter on each series of the Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment.

Restrictions on Funded Debt, etc.

- (i) The Company shall not without the approval of the holders of the Preferred Shares Series A given in a specified manner:
- (a) issue or become liable on any funded obligations or permit any subsidiary to issue or become liable on any funded obligations (except to the Company or to a subsidiary of which such subsidiary is a subsidiary) unless the average annual consolidated earnings available for interest of the Company and its subsidiaries for the three (3) completed fiscal years of the Company next preceding such issue or next preceding the Company or a subsidiary so becoming liable, as the case may be, shall have been at least equal to three (3) times the aggregate annual interest requirements of all consolidated funded obligations of the Company and its subsidiaries to be outstanding immediately after such issue or immediately after the Company or a subsidiary so becoming liable, as the case may be, provided however that any funded obligations to be retired out of the proceeds of the funded obligations to be issued shall not be considered to be outstanding for the purpose of this paragraph, or
 - (b) sell or otherwise dispose of by conveyance, transfer, lease or otherwise the assets of the Company as an entirety or substantially as an entirety, or
 - (c) permit any subsidiary to sell or otherwise dispose of (except to the Company or to a subsidiary of which subsidiary is a subsidiary) by conveyance, transfer, lease or otherwise the assets of such subsidiary as a whole or substantially as a whole; provided always that the foregoing restrictions shall not apply to or operate to prevent
 - (i) the giving of security or securities (except on fixed assets) by the Company or a subsidiary to any bank or banks or to any other loaning institution for present or future debts or liabilities of the Company or such subsidiary to such bank or banks or loaning institution, provided that such debts or liabilities do not constitute funded obligations, or
 - (ii) the extension, renewal or refunding by the Company or a subsidiary of any funded obligations of the Company or such subsidiary, as the case may be, to the extent of the principal amount of such funded obligations at the time of such extension, renewal or refunding, or

- (iii) the securing of any funded obligations permitted under this paragraph (i), or
- (iv) the Company or a subsidiary from creating, giving or incurring purchase money mortgages, or
- (v) the sale of any land and buildings owned by the Company or a subsidiary as part of a transaction whereby such land and buildings are leased back to the Company or such subsidiary, as the case may be, or
- (vi) the consolidation, amalgamation or merger of any one or more subsidiaries with any other subsidiary or with the Company and the transfer or vesting of the assets and undertaking of said subsidiary to or in such other subsidiary or the Company or the continuing company resulting from any such consolidation, amalgamation or merger.

Voting Rights

- (j) The holders of the Preferred Shares Series A shall not have any voting rights nor shall they be entitled to receive notice of or attend shareholders' meetings unless dividends on the Preferred Shares of any one series become in arrears to the extent of eight quarterly dividends whereupon, until all arrears of dividends on the Preferred Shares have been paid, such shareholders shall be entitled to receive notice of and to attend all shareholders' meetings and to one vote in respect of each Preferred Shares Series A held. The holders of Common Shares are entitled to one vote for each such share held at all meetings of the Company.

The foregoing statement with respect to the Preferred Shares Series A and to the Common Shares is not complete and is qualified in its entirety by reference to the full provisions attached to the Preferred Shares as a class, to the Preferred Shares Series A and to the Common Shares which are set out in the Supplementary Letters Patent dated April 7, 1964 copies of which are on file with The Toronto Stock Exchange.

8. **DIVIDEND RECORD**

Dividends paid during the past ten years:

Date	On Preferred Shares	On Common Shares
December 31, 1960		\$.08
July 4, 1962		.08
April 26, 1963		.10
December 15, 1963		.15
July 23, 1964	\$.113	.09
November 1, 1964	.12	.06
February 1, 1965	.12	.03

(NOTE: The Preferred Shares were originally issued on April 30, 1964).

9. **RECORD OF PROPERTIES**

The head office, production and warehouse facilities of the Company are located in Weston, Ontario at 66 Rivalda Road. The building has a total floor area of 26,400 sq. ft. and is occupied by the Company under a twenty year lease which expires October 31, 1980.

The Company leases its building located at 77 Rivalda Road, Weston, Ontario under a twenty-five year lease.

Tip-Top Canners, Limited has a plant located at Burlington, Ontario having a floor area of 50,000 sq. ft. and leases this building under a twenty-five year lease.

West, Taylor, Bickle & Company Limited owns a plant in the Town of Norwich, Ontario.

The Company maintains branch offices in Vancouver, Winnipeg, Montreal and Halifax all of which are rented.

Bradford-Penn Oil Limited owns a building and also leases premises from The Canadian Pacific Railway Company at 1109 Yonge Street, Toronto. It is intended that the Company's operations will be moved in 1965 to the Tip-Top Canners, Limited building in Burlington, Ontario.

10. **SUBSIDIARY COMPANIES**

The following are subsidiary companies:

- (a) Stuart House Products Limited was incorporated by Letters Patent on September 25, 1957 under the laws of the Province of Ontario as a private company to carry on a packaging business. All the issued and outstanding shares in the capital stock of the Company are owned with the exception of the directors' qualifying shares by Stuart House International Limited.
- (b) Tip-Top Canners Limited was incorporated on February 20, 1928 under the laws of the Province of Ontario as a public company to carry on a canning business. Stuart House International Limited owns approximately 80% of the outstanding Class "A" Shares and 96% of the outstanding Class "B" Shares. The Class "A" Shares of Tip-Top Canners, Limited are listed on The Toronto Stock Exchange.
- (c) West, Taylor, Bickle & Company Limited was incorporated on November 15, 1905 under the laws of the Province of Ontario as a private company to carry on the manufacture and sale of brooms and mops. All the issued and outstanding shares in the capital stock of the Company are owned by Stuart House International Limited with the exception of directors' qualifying shares.
- (d) Bradford-Penn Oil Limited was incorporated on April 11, 1950 under the laws of Canada as a private company to carry on the business of packaging motor oils, lubricants and anti-freeze. All the issued and outstanding shares in the capital stock of the Company are owned by Stuart House International Limited with the exception of directors' qualifying shares.
- (e) Stuart House International Limited has approximately a 55% interest in Daniels Seafood Inc. which has an office and plant at Fort Myers, Florida, U.S.A. packing and marketing a variety of frozen seafoods.

- (f) Stuart House International Limited owns 100% of the issued and outstanding shares in the capital stock of Stuart House Products, Inc., a Company incorporated in the State of Florida, U.S.A. which at present is not carrying on business.

11. **FUNDED DEBT**

The Company has the following funded debt:

- (a) A loan payable of \$100,000 falling due in 1966 and bearing interest at 6% per annum;
- (b) A First Mortgage of \$10,418 falling due in 1967 and bearing interest at 5% per annum.

12. **OPTIONS, UNDERWRITINGS**

There are at present no outstanding options to purchase shares. Moss, Lawson & Co. Limited exercised its option to purchase 6,250 Preferred Shares Series A and 12,500 Common Shares prior to November 30, 1964.

13. **LISTING ON OTHER STOCK EXCHANGES**

No application has been made by the Company to list any of the shares in the capital of the Company on any other Stock Exchange.

14. **STATUS UNDER THE SECURITIES ACT**

The 31,250 6% Cumulative Redeemable Convertible First Preference Shares Series A with a par value of \$8.00 each and the 62,500 Common Shares without par value were qualified for sale to the public in the Provinces of Nova Scotia, Ontario and Alberta.

15. **FISCAL YEAR**

The fiscal year of the Company ends on the last day of November in each year.

16. **ANNUAL MEETING**

The Annual Meeting of the Shareholders may be held at such place on such day in each year as the board of directors may by resolution determine. An Annual Meeting of Shareholders has been called for Tuesday, March 16, 1965.

17. **HEAD OFFICE**

The head office of the Company is located at 66 Rivalda Road, Weston, Ontario.

18. **TRANSFER AGENT AND REGISTRAR**

Montreal Trust Company, at its offices in the cities of Toronto and Calgary, is the transfer agent and registrar for the 6% Cumulative Redeemable Convertible Preferred Shares Series A and the Common Shares.

19. **TRANSFER FEES**

No fee is charged on the transfer of the shares of the Company other than the customary stock transfer taxes.

22. **AUDITORS**

The auditors for the Company are Loftus A. Allen & Co., Chartered Accountants, 48 Yonge Street, Toronto, Ontario.

23. **DIRECTORS AND CHIEF OFFICERS**

President and Director	John Stuart Executive	404 Sulgrave Manor, P.O. Box 1682, Nassau, Bahamas.
Vice-President and Director	John Lyon Stuart Executive	26 Upminster Crescent, Islington, Ontario.
Secretary and Director	Evelyn Euphemia Bentley Secretary	678 Hillside Avenue East, Toronto, Ontario.
Treasurer and Director	Ivan Hagerman Keats Accountant	6 Landfair Crescent, Scarborough, Ontario.
Director	Earl William Hayne Executive	137 St. Lucie Drive, Toronto, Ontario.
Director	John Bernard Joynt Management Consultant	10 Park Avenue, New York, New York.
Director	William Earle Gordon	86 Wimbledon Road, Islington, Ontario.
Director	Frank Sherk Executive	307 Lawrence Avenue East, Toronto, Ontario.
Director	Donald Gordon Lawson Investment Dealer	18 Stratheden Road, Toronto, Ontario.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors the applicant Company hereby makes application for listing of the above mentioned securities on The Toronto Stock Exchange and the undersigned officers hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

STUART HOUSE INTERNATIONAL LIMITED



“J. L. STUART”,
Vice-President

“E. E. BENTLEY”,
Secretary

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of Preferred stock as of February 17, 1965

Number					Shares
104	Holders of	1	—	99 share lots	4,115
88	" "	100	—	199 " "	9,485
22	" "	200	—	299 " "	4,500
14	" "	300	—	399 " "	4,360
5	" "	400	—	499 " "	2,150
2	" "	500	—	999 " "	1,100
1	" "	1000	—	up " "	4,380
236	Shareholders			Total shares	30,090

Distribution of Common stock as of February 17, 1965

Number					Shares
49	Holders of	1	—	99 share lots	2,485
102	" "	100	—	199 " "	10,780
65	" "	200	—	299 " "	13,500
18	" "	300	—	399 " "	5,480
8	" "	400	—	499 " "	3,250
33	" "	500	—	999 " "	22,484
20	" "	1000	—	up " "	506,841
295	Shareholders			Total shares	564,820

CONSOLIDATED FINANCIAL STATEMENTS

STUART HOUSE INTERNATIONAL LIMITED
(Incorporated under the Laws of Canada)
and its Subsidiary Companies

CONSOLIDATED BALANCE SHEET

AS AT NOVEMBER 30, 1964
(with comparative figures for 1963)

ASSETS

	1964	1963
CURRENT ASSETS		
Cash	\$ 63,910	\$ 199,231
Accounts receivable less allowance for doubtful accounts	808,845	523,668
Due on closing of sale of building	274,000	—0—
Inventories of raw material, finished goods and supplies valued at lower of cost or market	1,513,647	864,019
Prepaid expenses	19,731	14,905
Total Current Assets	<u>\$2,680,133</u>	<u>\$1,601,823</u>
INVESTMENTS		
Equity in cash surrender value of life insurance	\$ 46,603	\$ 38,930
First mortgage, 6%, due 1966	28,431	49,000
Second mortgage, 6%, due 1974	71,800	—0—
Total Investments	<u>\$ 146,834</u>	<u>\$ 87,930</u>
FIXED ASSETS		
Land, buildings, machinery and equipment—at cost	\$ 768,317	\$1,211,180
Less: Accumulated depreciation	355,688	286,234
Net Fixed Assets	<u>\$ 412,629</u>	<u>\$ 924,946</u>
OTHER ASSETS		
Deferred product development costs	\$ —0—	\$ 2,097
Stock issue expenses	29,790	—0—
Excess of cost of subsidiaries over net book value of their assets	80,774	—0—
Total Other Assets	<u>\$ 110,564</u>	<u>\$ 2,097</u>
	<u>\$3,350,160</u>	<u>\$2,616,796</u>

LIABILITIES

	1964	1963
CURRENT LIABILITIES		
Bank loans—secured	\$ 835,000	\$ 434,000
Accounts payable and accrued liabilities	941,552	738,882
Income taxes payable	17,543	84,572
Note payable	25,500	25,500
Total Current Liabilities	<u>\$1,819,595</u>	<u>\$1,282,954</u>
LONG TERM LIABILITIES		
Loan payable, 6%, due 1966	\$ 100,000	\$ —0—
First mortgage, 5%, due 1967	10,418	14,584
First mortgage, 5½ %, due 1971	—0—	236,866
Total Long Term Liabilities	<u>\$ 110,418</u>	<u>\$ 251,450</u>
MINORITY INTEREST IN SUBSIDIARIES	<u>\$ 142,832</u>	<u>\$ 168,528</u>
SHAREHOLDERS' EQUITY		
Capital Stock—Note 3		
Authorized:		
100,000 Preferred Shares of \$8.00 par value each, issuable in series		
1,000,000 Common Shares without par value		
Issued:		
31,050 6% Cumulative Redeemable Convertible Preferred Shares Series A	\$ 248,400	\$ —0—
562,900 Common Shares (500,000 in 1963)	852,350	682,000
	<u>\$1,100,750</u>	<u>\$ 682,000</u>
Excess of the net book value of subsidiaries over their cost ..	—0—	3,604
Earned Surplus—Note 2	176,565	228,260
Total Shareholders' Equity	<u>\$1,277,315</u>	<u>\$ 913,864</u>
	<u>\$3,350,160</u>	<u>\$2,616,796</u>

The attached notes form an integral part of these consolidated financial statements.

Approved on behalf of the Board:

“JOHN L. STUART”, Director.

“IVAN H. KEATS”, Director.

STUART HOUSE INTERNATIONAL LIMITED
and its Subsidiary Companies

CONSOLIDATED EARNED SURPLUS

FOR THE YEAR ENDED NOVEMBER 30, 1964
(with comparative figures for 1963)

	1964	1963
Balance — Beginning of year	\$ 228,260	\$ 91,870
Add —		
Net earnings prior to acquisition of two wholly owned subsidiaries, acquired in 1960 in a pooling of interest— Note 2	—0—	57,762
	<u>\$ 228,260</u>	<u>\$ 149,632</u>
Add —		
Net Profit	114,961	116,128
	<u>\$ 343,221</u>	<u>\$ 265,760</u>
Less — Dividends Paid		
Preferred	\$ 7,281	\$ —0—
Common	159,375	37,500
Total Dividends Paid	<u>\$ 166,656</u>	<u>\$ 37,500</u>
Balance — End of year	<u>\$ 176,565</u>	<u>\$ 228,260</u>

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED NOVEMBER 30, 1964
(with comparative figures for 1963)

	1964	1963
Sales		
Warehouse sales	\$6,180,025	\$4,537,230
Commission sales	1,692,213	1,736,943
Total Sales	<u>\$7,872,238</u>	<u>\$6,274,173</u>
Gross margin on warehouse sales (after depreciation of \$70,726 in 1964 and \$44,555 in 1963)	\$1,505,842	\$1,135,869
Commission income	102,481	108,180
	<u>\$1,608,323</u>	<u>\$1,244,049</u>
Selling and Administrative Expenses	1,518,281	1,036,484
(including the following):		
Depreciation	\$ 35,368	\$ 28,809
Executive salaries	47,155	51,794
Legal	12,288	9,744
Mortgage interest	12,543	12,340
Directors' fees	400	—0—
	<u>\$107,754</u>	<u>\$102,687</u>
	<u>\$ 90,042</u>	<u>\$ 207,565</u>
Profit on sale of fixed assets	58,715	—0—
	<u>\$ 148,757</u>	<u>\$ 207,565</u>
Income taxes	22,688	76,222
	<u>\$ 126,069</u>	<u>\$ 131,343</u>
Deduct minority interest's share of the profits of subsidiary companies	11,108	15,215
Net Profit	<u>\$ 114,961</u>	<u>\$ 116,128</u>

STUART HOUSE INTERNATIONAL LIMITED
and its Subsidiary Companies

SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED NOVEMBER 30, 1964

	1964
FUNDS WERE PROVIDED BY:	
Net profit	\$ 114,961
Depreciation charged to operations which did not require cash outlays	106,094
Minority interest in net profits which did not require cash outlays	11,108
Net depreciated value of fixed assets sold	711,394
Principal payments on mortgage receivable	20,569
Proceeds of sale of capital stock	418,750
Proceeds from loan payable	100,000
Net working capital of subsidiary at time of acquisition	57,362
	<u>\$1,540,238</u>
FUNDS WERE USED FORS	
Additional investment in subsidiaries	\$ 220,418
Increase in equity of cash surrender value of life insurance	7,673
Retirement of long-term liabilities	241,032
Second mortgage taken back on sale of fixed assets	71,800
Purchase of fixed assets	258,304
Dividends paid by subsidiary to minority shareholders	2,896
Dividends paid by Stuart House International Limited to its shareholders	166,656
Stock issue expenses	29,790
Increase in working capital	541,669
	<u>\$1,540,238</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS AT NOVEMBER 30, 1964

1. SUBSIDIARIES AND EXCHANGE CONVERSION

The consolidated financial statements include all the Subsidiaries, which are

	Jurisdiction in which organized	Ownership of Voting Stock
Stuart House Products Limited	Ontario, Canada	100.0%
Stuart House Products Inc	Florida, U.S.A.	100.0%
Daniels Seafood Inc.	Florida, U.S.A.	55.2%
Tip-Top Cannery, Limited	Ontario, Canada	96.3%
West, Taylor, Bickle & Company Limited	Ontario, Canada	100.0%
Bradford-Penn Oil Limited	Federal, Canada	100.0%

Current assets, current liabilities, income and expense (other than depreciation) of foreign subsidiaries are included in the consolidated statements on the basis of U.S. \$1 = Can. \$1.075. Fixed assets, long term liabilities and depreciation of such companies are included on the basis of U.S. \$1 = Can. \$1.

2. EARNED SURPLUS AND DIVIDENDS

The consolidated earned surplus includes the net earnings prior to and subsequent to the actual acquisition date of Stuart House Products Limited and Stuart House Products Inc. which were acquired in 1960 in a pooling of interests. The earnings of Daniels Seafood Inc., acquired in 1955, Tip-Top Cannery, Limited and West, Taylor, Bickle & Company Limited, both acquired in 1963, and Bradford-Penn Oil Limited acquired in 1964, are included in the consolidated earned surplus from the date of acquisition only.

3. CAPITAL STOCK

During the year the Company obtained supplementary letters patent increasing the authorized capital stock by the creation of 100,000 Preferred Shares of the par value of \$8 each, issuable in series, and designating 31,250 of the said Preferred Shares as 6% Cumulative Redeemable Convertible Preferred Shares Series A. The Preferred Shares Series A are redeemable after May 1, 1967 at \$8.48 per share, convertible prior to May 1, 1974 into Common Shares on the basis of 2 Common Shares for each Preferred Share Series A and non-voting except in certain circumstances.

Subsequent to obtaining the above noted supplementary letters patent, the Company issued 31,250 Preferred Shares Series A for \$250,000 and 62,500 Common Shares for \$168,750.

A commission of \$17,500 (56¢ per preferred share) was paid to the underwriter in respect of the 31,250 Preferred Shares Series A. In addition, \$12,290 was expended for the costs of supplementary letters patent and the expenses of the issue.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Prior to November 30, 1964, 200 Preferred Shares Series A were converted into 400 Common Shares thereby reducing the issued Preferred Shares.

On November 30, 1964, 62,100 Common Shares were reserved for the conversion privileges attached to the Preferred Shares Series A.

4. CONTINGENT LIABILITIES, COMMITMENTS, ETC.

Long term leases aggregate \$58,200 per annum for various terms of years to 1989.

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of STUART HOUSE INTERNATIONAL LIMITED and its Subsidiary Companies as at November 30, 1964 and the statements of consolidated profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We did not examine the financial statements of one of the foreign subsidiaries, which statements were examined by another public accountant whose report thereon has been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for such company, is based solely upon such report.

In our opinion and according to the best of our information and the explanations given to us, and as shown by the books of the Companies, the accompanying consolidated balance sheet and statements of consolidated profit and loss and earned surplus (supplemented by the notes thereto) are properly drawn up so as to exhibit a true and correct view of the state of affairs of the Companies as at November 30, 1964 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
January 25, 1965.

LOFTUS A. ALLEN & CO.

Chartered Accountants.

STUART HOUSE INTERNATIONAL LIMITED
(Incorporated under the Laws of Canada)
and its Subsidiary Companies

CONSOLIDATED SUMMARY OF EARNINGS
FROM JANUARY 1, 1960 TO NOVEMBER 30, 1964

Fiscal Year Ended	Net Earnings before Depreciation, Interest and Taxes on Income	Interest on Long Term Debts	Depreciation	Net Earnings before Taxes on Income	Taxes on Income	Net Earnings before Minority Interest therein	Minority Interest	Net Earnings
December 31, 1960	\$ 78,443	\$ 1,398	\$23,208	\$ 53,837	\$23,041	\$ 30,796	\$ 937	\$ 29,859
November 30, 1961	100,369	3,084	26,595	70,690	33,600	37,090	725	36,365
(eleven months)								
November 30, 1962	161,219	14,426	46,467	100,326	35,688	64,638	8,925	55,713
November 30, 1963	293,269	12,340	73,364	207,565	87,902	119,663	15,215	104,448
November 30, 1964	137,953	12,543	35,368	90,042	33,386	56,656	3,932	52,724

The attached notes form an integral part of this consolidated summary of earnings.

NOTES TO CONSOLIDATED SUMMARY OF EARNINGS
FROM JANUARY 1, 1960 TO NOVEMBER 30, 1964

1. SUBSIDIARIES AND EXCHANGE CONVERSION
The consolidated summary of earnings includes all the subsidiaries, which are

Name	Jurisdiction in which organized	Ownership of Voting Stock
Stuart House Products Limited	Ontario, Canada	100.0%
Tip-Top Cannerns, Limited	Ontario, Canada	96.3%
West, Taylor, Bickle & Company Limited	Ontario, Canada	100.0%
Bradford-Penn Oil Limited	Federal, Canada	100.0%
Stuart House Products Inc.	Florida, U.S.A.	100.0%
Daniels Seafood Inc.	Florida, U.S.A.	55.2%

The consolidated summary of earnings includes the earnings prior to and subsequent to the actual acquisition date of Stuart House Products Limited and Stuart House Products Inc. which were acquired in 1960 in a pooling of interests. The earnings of Daniels Seafood Inc., acquired in 1955, Tip-Top Cannerns Limited and West, Taylor, Bickle & Company Limited, both acquired in 1963, and Bradford-Penn Oil Limited, acquired in 1964, are included in the consolidated summary of earnings from date of acquisition only.

The income and expenses (other than depreciation) of the foreign subsidiaries are included at the average rate of exchange during the year. Depreciation of such companies is on the basis of U.S. \$1 = Can. \$1.

2. TAXES ON INCOME
Income tax returns have been assessed by the taxing authorities up to and including the year ended November 30, 1962. Taxes on income, as shown on the consolidated summary of earnings, have been adjusted to reflect all tax assessments.

3. ITEMS EXCLUDED
The following items have been excluded from the consolidated summary of earnings:

- (a) profits on the sale of fixed assets of \$31,488; \$1,799 and \$58,715 in 1960, 1961 and 1964 respectively and the applicable taxes on recapture of depreciation and applicable tax credits on terminal losses;
- (b) advances receivable of \$119,619, made prior to 1958, which were written off in the year ended December 31, 1960;
- (c) expenses of \$16,453 and \$4,817, which were incurred in 1960 and 1961, in connection with a contemplated financing in 1960 and a stock issue in 1961.

AUDITORS' REPORT TO THE DIRECTORS

We have examined the consolidated summary of earnings of STUART HOUSE INTERNATIONAL LIMITED and its subsidiary companies from January 1, 1960 to November 30, 1964. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

We did not examine the statements of earnings of the foreign subsidiaries, all of which statements were examined by other public accountants whose reports thereon have been furnished to us. Our opinion expressed herein, insofar as it relates to the amounts included for such companies, is based solely upon such reports.

In our opinion the accompanying consolidated summary of earnings (supplemented by the notes thereto) presents fairly the consolidated earnings of the companies from January 1, 1960 to November 30, 1964 in accordance with generally accepted accounting principles applied on a consistent basis from year to year.

Toronto, Ontario,
January 25, 1965.

LOFTUS A. ALLEN & CO.
Chartered Accountants.

FILING STATEMENT NO. 1318.
FILED, MAY 27th. 1965.

Full corporate name of Company

Incorporated under the laws of Canada by Letters Patent dated
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 August 7,
(Ontario) by Letters Patent dated May 1st, 1957). 1946.

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	The Company has entered into an agreement dated March 19, 1965 to purchase all the outstanding capital stock of Belt Manufacturing Company of Canada Limited being 250 common shares with a par value of \$100.00 each and 471 preference shares with a par value of \$100.00 each for a purchase price of \$625,000 cash and a payment of \$15,000 cash as commission or finder's fee. (See details of Offer to Purchase attached as Schedule "A" on page 3.)
2. Head office address and any other office address.	66 Rivalda Road, Weston, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	Names and Addresses of Present Directors and Officers. President and John Stuart 404 Sulgrave Manor, Director Executive P.O. Box 1682, Nassau, Bahamas. John Stuart has been the President and a Director of Stuart House International Limited for the past five years. Vice-President and John Lyon Stuart 26 Upminster Crescent, Director Executive Islington, Ontario. John Lyon Stuart has been the Vice-President and a director of Stuart House International Limited for the past five years. Secretary and Evelyn Euphemia 678 Hillside Avenue Director Bentley East, Toronto, Ontario. Evelyn Euphemia Bentley has been the Secretary and a director of Stuart House International Limited for the past five years. Treasurer and Ivan Hagerman Keats 6 Landfair Crescent, Director Accountant Scarborough, Ontario. Ivan Hagerman Keats has been the Treasurer and a director of Stuart House International Limited for the past five years. Director Earl William Hayne 137 St. Lucie Drive, Toronto, Ontario. Earl William Hayne has been a director and Sales Manager of Stuart House International Limited for the past five years. Director John Bernard Joynt 10 Park Avenue, New York, New York. Consultant John Bernard Joynt has been the Management Consultant in New York of Stuart House International Limited for the past five years. Director William Earle 86 Wimbledon Road, Islington, Ontario. William Earle Gordon was Chairman of the Board of Hill-Clark, Francis Limited up to 1963 at which time he retired and has since been an independent Management Consultant. Director Frank Sherk 307 Lawrence Avenue East Toronto, Ontario. Frank Sherk was an Executive with H. J. Heinz Company of Canada Limited up to 1964 at which time he retired. Director Donald Gordon 18 Stratheden Road, Toronto, Ontario. Investment Dealer Donald Gordon Lawson has been with Moss, Lawson & Company, stock brokers, for the past five years.
4. Share capitalization showing authorized and issued and outstanding capital.	Preferred Shares - 100,000 authorized of which 27,670 Preferred Shares Series A are issued and outstanding. Common Shares - 1,000,000 authorized of which 569,660 are issued and outstanding. Since the filing of the Listing Statement dated March 1, 1965, 2,420 Preferred Shares Series A have been converted into 4,840 Common Shares.

5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	First Mortgage of \$8,983 falling due in 1967 and bearing interest at 5% per annum. Loan Payable of \$100,000 falling due in 1966 bearing interest at 6% per annum.																																		
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Nil.																																		
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Nil.																																		
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	A commission or finder's fee of \$15,000 will be paid on closing to Canadian Corporation Brokers Company Limited as the corporation broker involved in bringing the Company and Mr. Harold Minden the vendor together.																																		
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Belt Manufacturing Company of Canada Limited is Canada's leading manufacturer of school bags, briefcases, tote bags, pencil cases, clipboards and wallets. Subsequent to the acquisition of Belt by the Company, Belt will carry on its own operations and will develop a new line to be known as "House of Stuart" which will be merchandised through the Stuart House organization.																																		
10. Brief statement of company's chief development work during past year.	The Company has continued to introduce new products in its food line and to expand its sales, through increased sales efforts.																																		
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Harold Minden, 39 Ava Road, Toronto, Ontario. \$625,000 consideration.																																		
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Harold Minden, 39 Ava Road, Toronto, Ontario and his wife Maxine Minden are the only persons receiving a greater than 5% interest in the consideration.																																		
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	205,000 Common Shares of the Company owned by Stuart (Nassau) Limited are held in escrow by the Canadian Imperial Bank of Commerce, Nassau, Bahamas, subject to release from escrow with the written approval of The Ontario Securities Commission and any stock exchange on which the Common Shares are at the time listed.																																		
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Stuart (Nassau) Limited, Nassau, Bahamas, holds all the escrowed common shares.																																		
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><tr><th colspan="4">COMMON SHAREHOLDERS</th></tr><tr><th>Name</th><th>Address</th><th></th><th>No. of Shares</th></tr><tr><td>Stuart (Nassau) Limited</td><td>c/o Stuart House International Limited, 66 Rivalda Road, Weston, Ontario.</td><td></td><td>419,359</td></tr><tr><td>New Providence Nominees Limited</td><td>P.O. Box 1447, Nassau, Bahama Islands.</td><td></td><td>30,000</td></tr><tr><td>Moss, Lawson & Company Limited</td><td>48 Yonge Street, Toronto, Ontario.</td><td></td><td>24,405</td></tr><tr><td>David Andrew Hyslop, Esq.</td><td>3071 Cedar Spring Road, Burlington, Ontario.</td><td></td><td>18,300</td></tr><tr><td>John B. Joynt, Esq.</td><td>10 Park Avenue, New York 16, New York.</td><td></td><td>4,401</td></tr><tr><td colspan="3">Total Common Shares</td><td>496,465</td></tr></table> To the best of the Company's knowledge the shares registered in the names of John B. Joynt and David Andrew Hyslop are held by them beneficially and not as nominees. The shareholdings of Stuart (Nassau) Limited are held by it beneficially. The Company has no knowledge of whether the shareholdings of New Providence Nominees Limited and Moss, Lawson & Company Limited are held beneficially or as nominees.			COMMON SHAREHOLDERS				Name	Address		No. of Shares	Stuart (Nassau) Limited	c/o Stuart House International Limited, 66 Rivalda Road, Weston, Ontario.		419,359	New Providence Nominees Limited	P.O. Box 1447, Nassau, Bahama Islands.		30,000	Moss, Lawson & Company Limited	48 Yonge Street, Toronto, Ontario.		24,405	David Andrew Hyslop, Esq.	3071 Cedar Spring Road, Burlington, Ontario.		18,300	John B. Joynt, Esq.	10 Park Avenue, New York 16, New York.		4,401	Total Common Shares			496,465
COMMON SHAREHOLDERS																																			
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Stuart (Nassau) Limited	c/o Stuart House International Limited, 66 Rivalda Road, Weston, Ontario.		419,359																																
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John B. Joynt, Esq.	10 Park Avenue, New York 16, New York.		4,401																																
Total Common Shares			496,465																																

On March 19, 1965, Stuart House International Limited made an offer to purchase to Mr. Harold Minden all of the outstanding common and preference shares of the capital stock of Belt Manufacturing Company of Canada Limited (hereinafter called the "Company"). The Company is incorporated under the laws of the Province of Ontario and has an authorized capital of 1,682 cumulative non-voting redeemable preference shares with a par value of \$100.00 each and 300 common shares with a par value of \$100.00 each, of which 471 preference shares and 250 common shares have been issued and are outstanding as fully paid and non-assessable. This offer to purchase was accepted in writing by Mr. Harold Minden on the 19th day of March, 1965.

The purchase price for all of the outstanding preference and common shares in the capital stock of the Company was \$640,000.00. \$65,000.00 was paid by Stuart House International Limited as a deposit on acceptance of the offer by Mr. Harold Minden. This deposit was held by the Canada Trust Company in escrow until the closing of the transaction. \$15,000.00 of the purchase price was to be paid to Canadian Corporation Brokers Company Limited, 154 King Street, St. Catharines, Ontario, as a commission or finder's fee, such Company having acted in the capacity of a business broker between Stuart House International Limited and Mr. Harold Minden. The balance of the purchase price, being \$560,000.00, was to be paid on the closing date to Mr. Harold Minden or to whom he directed.

The purchase price was decided upon on the basis of negotiations between the parties, however the last audited balance sheet of the Company as at December 31st, 1964 was appended to the offer to purchase. The usual conditions, representations, warranties, and covenants were contained in the offer to purchase.

The closing date for this transaction was set out in the offer to purchase as Monday, May 31st, 1965.

On Thursday, May 27th, 1965, Stuart House International Limited being a non-exempt Company under the regulations of the Toronto Stock Exchange, deposited with the Toronto Stock Exchange a Filing Statement setting out the said proposed purchase of shares.

This Agreement is subject to the subsequent approval of the Company's shareholders.

The funds to complete this transaction, being in all \$560,000.00, will be obtained by a short term bank loan from The Royal Bank of Canada.

FINANCIAL STATEMENTS

STUART HOUSE INTERNATIONAL LIMITED
(Incorporated under the Laws of Canada)

And Its Subsidiary Companies

CONSOLIDATED BALANCE SHEET
AS AT FEBRUARY 28, 1965

LIABILITIES

ASSETS

CURRENT ASSETS

- Accounts receivable less allowance for doubtful accounts
- Inventories of raw material, finished goods and supplies valued at lower of cost and market
- Advance to shareholder
- Advance to director
- Prepaid expenses

INVESTMENTS

Equity in cash surrender value of life insurance	
First mortgage, 6%, due 1966	
Second mortgage, 6%, due 1974	

FIXED ASSETS

Land, buildings, machinery
and equipment - at cost
Less: Accumulated depreciation

OTHER ASSETS

Stock issue expenses
Excess of cost of subsidiaries
over net book value of their assets

CURRENT LIABILITIES

	\$	700,000
Bank overdraft		
Bank loans - secured		
Accounts payable and accrued liabilities	\$	123,130
Income taxes payable		
	\$	484,270
	\$	19,826
	\$	498,831
	\$	489,542

LONG TERM LIABILITIES

	\$	100,000
Loan payable, 6%, due 1966		
First mortgage, 5%, due 1967		
		8,983

MINORITY INTEREST IN SUBSIDIARIES

	46,603	
\$	28,431	SHAREHOLDERS' EQUITY

146,834

100,000 Preferred shares of \$8.00 par value each,

\$	776,664	401,564
	375,100	

Issued

\$	29,790	108,148
	78,358	

Earned Surplus

137,332 1,238,082

\$2,814,122

\$2,814,122

Edmund
A DIRECTOR

L. E. Bentley
DIRECTOR

STUART HOUSE INTERNATIONAL LIMITED
and its Subsidiary Companies
NOTES TO THE CONSOLIDATED BALANCE SHEET

AS AT FEBRUARY 28, 1965

1. The advance to a shareholder of \$14,257 is made up of \$4,257 due on the sale of a building previously owned by the company and a \$10,000 realty tax instalment made immediately subsequent to the date of sale. Both amounts were subsequently repaid.
2. The advance to a director of \$27,389 arose from a third-party demand by the Department of National Revenue for income taxes owing by a director. This amount was still unpaid as of May 25, 1965.

CONSOLIDATED STATEMENT OF EARNED SURPLUS

FOR THE THREE MONTHS ENDED FEBRUARY 28, 1965

Balance - Beginning of Period	\$176,565
Less - Net Loss	18,666
	<u>\$157,899</u>
Less - Dividends Paid	20,567
	<u>\$137,332</u>

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE THREE MONTHS ENDED FEBRUARY 28, 1965

SALES	
Warehouse sales	\$1,284,796
Commission sales	<u>387,688</u>
Total Sales	<u>\$1,672,484</u>
GROSS MARGIN ON WAREHOUSE SALES (after depreciation of \$15,641)	
	\$ 317,602
COMMISSION INCOME	<u>23,534</u>
	\$ 341,136
SELLING AND ADMINISTRATIVE EXPENSES including the following:	357,628
Depreciation	\$ 7,015
Executive salaries	12,010
Legal	2,500
Mortgage interest	130
Directors' fees	<u>800</u>
	<u>\$22,455</u>
	<u>\$ (16,492)</u>
ADD: MINORITY INTEREST'S SHARE of the Profits of Subsidiary Companies	<u>2,174</u>
NET LOSS	<u>\$ (18,666)</u>

SOURCE AND APPLICATION OF FUNDS

FOR THE THREE MONTHS ENDED FEBRUARY 28, 1965

FUNDS WERE PROVIDED BY:

Net profit or (loss)	\$(18,666)
Depreciation charged to operations which did not require cash outlays	22,656
Minority interest in net profits which did not require cash outlays	2,174
Decrease in working capital	<u>30,188</u>
	<u>\$36,352</u>

FUNDS WERE USED FOR:

Additional investment in subsidiary	\$ 2,759
Principal payments on mortgage payable	1,435
Purchase of fixed assets	11,591
Dividends paid	<u>20,567</u>
	<u>\$36,352</u>

C A N A D A
PROVINCE OF ONTARIO
COUNTY OF YORK

IN THE MATTER of the Filing
Statement of STUART HOUSE
INTERNATIONAL LIMITED dated
May 25, 1965.

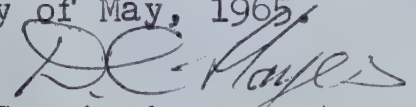
D E C L A R A T I O N

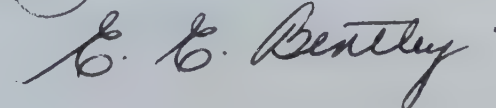
We, JOHN L. STUART and EVELYN E. BENTLEY,
both of the City of Toronto, in the County of
York, DO SOLEMNLY DECLARE THAT:

1. We are the Vice-President and Secretary
respectively and are both directors of STUART
HOUSE INTERNATIONAL LIMITED and as such have
knowledge of the matters herein deposed to.
2. There have been no material changes in
the financial condition of STUART HOUSE INTERNATIONAL
LIMITED since the issuance of a consolidated balance
sheet dated February 28, 1965.
3. Such balance sheet was prepared by our
auditors, Messrs. Loftus A. Allen & Company from
material supplied by the subsidiary companies of
Stuart House International Limited and by Stuart
House International Limited and to the best of our
knowledge reflects truly the financial condition
of the Company on February 28, 1965 and to the best
of our knowledge there have been no material changes
since such balance sheet.

AND WE DO MAKE THIS SOLEMN DECLARATION
conscientiously believing it to be true and knowing
that it is of the same force and effect as if made
under oath and by virtue of the Canada Evidence Act.

SEVERALLY DECLARED BEFORE ME
at the City of Toronto, in
the County of York, this 25th
day of May, 1965.


A Commissioner, etc.

PELT MANUFACTURING COMPANY OF CANADA LIMITED

STATEMENT OF RETAINED EARNINGS

FOR THE YEAR ENDED DECEMBER 31, 1964 WITH 1963 COMPARISONS

	1964	1963
B A L A N C E - January 1,	• \$291,465	\$232,355
Add - Net profit for year	<u>71,644</u>	<u>59,130</u>
B A L A N C E - December 31,	<u>\$363,109</u>	<u>\$291,465</u>

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1964 WITH 1963 COMPARISONS

	1964	1963
S A L E S	\$2,158,563	\$1,844,535
COST OF SALES		
Inventories - January 1,	\$ 231,747	\$ 255,162
Purchases	1,167,991	949,258
Factory labour	511,107	438,283
Factory expenses	<u>140,518</u>	<u>109,413</u>
	\$2,051,363	\$1,752,116
Less - Inventories - December 31,	<u>380,706</u>	<u>231,747</u>
	\$1,670,657	\$1,520,369
GROSS PROFIT	<u>\$ 487,906</u>	<u>\$ 324,166</u>
Add - Sundry revenues		
Royalties earned (net)	\$ 9,750	\$ -
Discounts earned	7,149	6,576
Sundry	<u>-</u>	<u>546</u>
	\$ 16,899	\$ 7,122
	<u>\$ 504,805</u>	<u>\$ 331,288</u>
EXPENSES		
Selling and delivery	\$ 200,923	\$ 147,613
General and administrative	<u>104,743</u>	<u>90,408</u>
	\$ 305,666	\$ 238,021
OPERATING PROFIT	\$ 199,139	\$ 93,267
Pension plan contributions re past services (note 3)	<u>77,000</u>	<u>-</u>
PROFIT BEFORE INCOME TAXES	\$ 122,139	\$ 93,267
Taxes on income (note 3)	<u>50,495</u>	<u>34,137</u>
NET PROFIT	<u>\$ 71,644</u>	<u>\$ 59,130</u>

SCHEDULE OF EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 1964 WITH 1963 COMPARISONS

	1964	1963
FACTORY		
Rent	\$ 45,636	\$ 43,266
Dies and patterns	18,163	15,356
Insurance and taxes	19,092	10,812
Factory supplies and sundry	15,847	9,536
Repairs and maintenance	16,537	7,237
Light, heat and power	10,522	7,007
Management salary	5,000	5,000
Depreciation - plant, equipment and leasehold improvements (note 5)	<u>9,721</u>	<u>11,119</u>
	<u>\$140,518</u>	<u>\$109,413</u>
SELLING AND DELIVERY		
Salesmen's commissions and salary	\$ 60,371	\$ 38,557
Shipping and receiving salaries	30,106	30,389
Management salary	35,000	30,000
Royalties	23,288	11,611
Advertising and selling	15,991	11,415
Automobile and truck	12,152	8,210
Delivery	12,409	7,469
Travelling	5,094	4,953
Boxing and shipping	5,458	4,403
Depreciation - automobile and truck (note 5)	<u>1,054</u>	<u>606</u>
	<u>\$200,923</u>	<u>\$147,613</u>
GENERAL AND ADMINISTRATIVE		
Office and administration salaries	\$ 33,179	\$ 30,830
Unemployment and group insurance cost	11,842	10,146
Bad debt adjustment for year	12,212	9,724
Bank and interest charges	9,575	9,501
Office and general	7,217	6,242
Postage, printing and stationery	7,060	6,051
Buying	3,801	4,533
Telephone	5,049	4,263
Legal and audit fees	3,866	2,685
Pension plan contributions re future services (note 6)	3,000	-
Directors' fees	2,000	2,000
Charitable donations	1,695	1,730
Discounts allowed	2,382	452
Life insurance cost	323	795
Depreciation - office furniture and fixtures (note 5)	<u>1,542</u>	<u>1,456</u>
	<u>\$104,743</u>	<u>\$ 90,408</u>

The accompanying notes to financial statements form an integral part of this statement and should be read in conjunction therewith.

BELT MANUFACTURING COMPANY OF CANADA LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1964

SOURCE OF FUNDS

Operations

Net profit for the year	\$71,284		
Add - Charge not requiring outlay of funds			
Depreciation	<u>12,318</u>	\$83,602	
Proceeds from disposal of fixed assets		<u>2,546</u>	\$86,148

APPLICATION OF FUNDS

Additions to fixed assets	\$10,916		
Increase in cash surrender value of life insurance	<u>1,727</u>	<u>12,643</u>	

INCREASE IN WORKING CAPITAL

\$73,505

BELT MANUFACTURING COMPANY OF CANADA LIMITED

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1964

1. INVENTORIES

Raw materials	\$189,835
Work in progress	9,118
Finished goods	<u>181,753</u>
	<u>\$380,706</u>

2. FIXED ASSETS

	C o s t	Accumulated depreciation	Net
Plant and equipment	\$170,239	\$131,353	\$ 38,886
Office furniture and fixtures	26,523	20,356	6,167
Leasehold improvements	21,660	21,660	-
Automobile and truck	<u>3,889</u>	<u>1,428</u>	<u>2,461</u>
	<u>\$222,311</u>	<u>\$174,797</u>	<u>\$ 47,514</u>

3. ASSETS PLEDGED

As security for its bank indebtedness, the Company has executed a general assignment of book debts and an assignment of inventories under Section 88 of the Bank Act.

4. CAPITAL STOCK

Preference - Authorized, 1,682 shares, redeemable at par, par value \$100; issued and outstanding, 471 shares	\$ 47,100
Common - Authorized, 300 shares, par value \$100; issued and outstanding, 250 shares	<u>25,000</u>
	<u>\$ 72,100</u>

5. DEPRECIATION AND INCOME TAXES

Depreciation for the year was provided at the following annual rates, consistent with prior years:

Plant equipment	- 20% of undepreciated cost
Office furniture and fixtures	- 20% of undepreciated cost
Automobile and truck	- 30% of underpeciated cost

For income tax purposes the Company has claimed maximum capital cost allowances in excess of the depreciation recorded in the accounts resulting in a reduction of income taxes which would have been otherwise payable in the amount of \$3,100.

6. PENSION PLAN

The plan is non-contributory as to current and past service contributions. Contributions toward the unfunded portion of the cost of past services is at the option of the Company with a minimum annual contribution of \$8,370. At December 31, 1964, the remaining past service contributions to be paid and deducted from income in subsequent years, subject to termination or amendment of the plan at the option of the Company, are estimated not to excess \$132,256.

16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Stuart (Nassau) Limited, Nassau, Bahamas, has shareholdings large enough to materially affect control of the Company. All of the issued shares of Stuart (Nassau) Limited are held by a trust for the benefit of members of the family of Mr. John Stuart, including John Lyon Stuart, a director and officer of the Company, subject to the payment to Mr. John Stuart during his lifetime of such part of the annual net income of the trust as Arawak Trust Company Limited, the Trustee, in its sole discretion may determine.																														
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	SCHEDULE OF INVESTMENTS IN SUBSIDIARIES AS AT FEBRUARY 28, 1965 <table><tr><th></th><th>Investment at Cost</th><th>Book Value of Shares</th><th></th></tr><tr><td>Stuart House Products Limited</td><td>\$ 3,498</td><td>\$ 36,770</td><td></td></tr><tr><td>Stuart House Products Inc.</td><td>63,693</td><td>23,849</td><td></td></tr><tr><td>West, Taylor, Bickle & Company Limited</td><td>102,074</td><td>103,867</td><td></td></tr><tr><td>Bradford-Penn Oil Limited</td><td>200,000</td><td>141,691</td><td></td></tr><tr><td>Daniels Seafood Inc.</td><td>30,250</td><td>77,429</td><td>X</td></tr><tr><td>Tip-Top Cannery, Limited</td><td>349,743</td><td>418,555</td><td>X</td></tr></table> X Book value shown is after eliminating the minority interest. The shares of the wholly owned subsidiaries do not have a quoted market value. Tip-Top Cannery, Limited is listed on the Toronto Stock Exchange but the shares held by the public are insignificant and the quoted market value would be meaningless. There is no market value for the shares of Daniels Seafood Inc. as the shares are not listed. From March 1 to May 25 Stuart House International Limited purchased 115 Class A shares of Tip-Top Cannery, Limited at a cost of \$817.50. The purchase of these shares does not have any material effect upon the book value set forth above. There were no changes in the investments in other subsidiaries.				Investment at Cost	Book Value of Shares		Stuart House Products Limited	\$ 3,498	\$ 36,770		Stuart House Products Inc.	63,693	23,849		West, Taylor, Bickle & Company Limited	102,074	103,867		Bradford-Penn Oil Limited	200,000	141,691		Daniels Seafood Inc.	30,250	77,429	X	Tip-Top Cannery, Limited	349,743	418,555	X
	Investment at Cost	Book Value of Shares																													
Stuart House Products Limited	\$ 3,498	\$ 36,770																													
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Daniels Seafood Inc.	30,250	77,429	X																												
Tip-Top Cannery, Limited	349,743	418,555	X																												
18. Brief statement of any lawsuits pending or in process against company or its properties.	None.																														
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None.																														
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts and there are no shares still in the course of primary distribution.																														

CERTIFICATE OF THE COMPANY

DATED May 25, 1965.

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"J. L. Stuart"

"E. E. Bentley"

CORPORATE
SEAL

VICE-PRES & DIRECTOR

SECRETARY & DIRECTOR

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)